# GOVERNMENT OF INDIA
# POWER
# LOK SABHA

UNSTARRED QUESTION NO:4082
ANSWERED ON:13.08.2015
Compensation for Power Cut
Chowdhary Shri Pankaj

**Will the Minister of POWER be pleased to state:**

(a) whether there is any provision making power distribution companies liable to pay compensation in case of power cuts; and

(b) if so, the details thereof?

## Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL AND NEW & RENEWABLE ENERGY

( SHRI PIYUSH GOYAL )

(a) & (b) : As per Section 57 (Consumer Protection: Standards of performance of licensee) of the Indian Electricity Act, 2003:

(1)The Appropriate Commission may, after consultation with the licensees and persons likely to be affected, specify standards of performance of a licensee or a class of licensees.

(2) If a licensee fails to meet the standards specified under sub-section (1), without prejudice to any penalty which may be imposed or prosecution be initiated, he shall be liable to pay such compensation to the person affected as may be determined by the Appropriate Commission:
Provided that before determination of compensation, the concerned licensee shall be given a reasonable opportunity of being heard.

(3) The compensation determined under sub-section (2) shall be paid by the concerned licensee within ninety days of such determination.

Hence, as per the Act, respective State Electricity Regulatory Commissions have to specify Standards of Performance for power Distribution Companies.

Various Regulatory Commissions operating across the country have notified the Electricity Supply Code wherein they have laid down the Standards of Performance for various Distribution Licensees operating in the State and the compensation to be paid to the affected consumers for Licensee's failure to meet the Standards of Performance.

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